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FM AMEMBASSY BRIDGETOWN  
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RUEHBJ/AMEMBASSY BEIJING 0240  
RUEHFR/AMEMBASSY PARIS 0355  
RUEHCV/USDAO CARACAS VE  
RUMIAAA/HQ USSOUTHCOM J2 MIAMI FL  
RUMIAAA/HQ USSOUTHCOM J5 MIAMI FL

UNCLAS SECTION 01 OF 04 BRIDGETOWN 000593

SIPDIS

SENSITIVE  
SIPDIS

DEPT FOR WHA/CAR  
SANTO DOMINGO FOR FCS  
SOUTHCOM ALSO FOR POLAD

E.O. 12958: N/A  
TAGS: [PGOV](#) [PREL](#) [CPAS](#) [CVIS](#) [EAID](#) [EAIR](#) [ETRD](#) [PHUM](#) [PINS](#)  
SMIG, SNAR, KCRM, CH, CU, FR, HA, XL  
SUBJECT: THE WINDIES - SPOT REPORTS FROM THE EASTERN  
CARIBBEAN - MARCH 2006

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REGIONAL  
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Caribbean Development Bank President Re-elected  
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1. (U) Dr. Compton Bourne was re-elected to a second five-year term as President of the Caribbean Development Bank (CDB), beginning May 1, 2006. Although generally seen as an effective leader of this organization that lends funds to Caribbean development projects, Bourne has endured criticism for the CDB's slow disbursement of money to the borrowing countries in the region. (Note: Members of the Barbados-based CDB include several non-borrowing states from outside

the region, including the U.K., Germany, Italy, China, and Venezuela, which contribute funding to the bank and take part in its decisionmaking. The U.S. has contributed funding to the CDB but is not a member. End note.)

#### European Union/Caribbean Trade Negotiations

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12. (U) Representatives of CARIFORUM (CARICOM plus the Dominican Republic) and the EU met in Barbados March 27-28 to negotiate a new Free Trade Agreement (FTA) that would replace the existing Cotonou Agreement, which grants the African, Caribbean, and Pacific (ACP) states preferential trade status with the EU. (Note: The EU is calling this FTA an Economic Partnership Agreement (EPA) to avoid the sometimes unpopular term "free trade." End note.) Not much concrete came of the negotiations, which appear to still be in a preliminary stage. The next step is for both sides to prepare a draft text of the agreement for the December 2006 Ministerial meeting in Santo Domingo.

13. (SBU) Comment: The two sides are running up against a deadline in 2007 - the year when the Cotonou Agreement comes up for review in the WTO, which is likely to rule against it. The CARIFORUM/EU negotiations are worth watching as the U.S. could encounter similar positions on preferential treatment for the Caribbean if the USG and CARIFORUM eventually negotiate a FTA. End comment.

#### British Airways Shuts Caribbean Call Centers

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14. (U) British Airways (BA) announced the closure of all its

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Caribbean call centers. In a rebuff of the trend toward outsourcing call centers to low-wage countries, BA decided that the calls handled by its Caribbean facilities will now go through its existing call center in Jacksonville, Florida. (Comment: While BA's move will impact only a small number of employees, this could hurt Eastern Caribbean efforts to attract call centers and other information and communication technology outsourcing operations to the region. End comment.)

#### ANTIGUA AND BARBUDA

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#### Former Prime Minister Sued Over Corruption Allegations

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15. (U) Three former government ministers, including ex-Prime Minister Lester Bird, have been named in a lawsuit filed by the Government of Antigua and Barbuda (GOAB) alleging corruption in the repayment of a loan that allowed the Government to purchase a desalination plant in 1984. Attorney General Justin Simon filed the lawsuit alleging that Swiss investor Bruce Rappaport was overpaid more than US\$14 million for re-negotiating the loan. This lawsuit is the third filed against Lester Bird by the GOAB as it attempts to reclaim millions of dollars in public funds allegedly lost to corruption during Bird's reign as PM from 1994 to 2004.

#### BARBADOS

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#### Two More Large Drug Seizures

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16. (U) Barbados police made two major drug seizures on March 16 and 17, seizing 847 and 228 pounds of marijuana, respectively. The March 17 operation was conducted by members of the police drugsquad and marine unit working

with the Coast Guard and customs officials. The marijuana was discovered hidden in metal containers attached to the underside of a ship from Jamaica that was docked in the Barbados capital, Bridgetown.

¶7. (SBU) Comment: These two seizures top the 137 pounds of marijuana confiscated in January and February, suggesting that while law enforcement remains vigilant, traffickers may be increasing their activity in the region. One concern is that the limited capacity of law enforcement in the small island states of the Eastern Caribbean could result in their being unable to adequately monitor and intercept drug trafficking during the 2007 Cricket World Cup, when tens of thousands of people are expected to travel to the region. End comment.

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DOMINICA  
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Passport Scam for Haitians But No Visas for Dominicans  
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¶8. (U) Authorities in Dominica have charged three individuals with using forged documents to illegally obtain Dominican passports for Haitian citizens. Several passports appear to have been wrongly issued to members of the substantial Haitian community in Dominica, many of whom are in the country without documentation, hoping to use it as a transit point to other Caribbean islands (ref B). Dominica and France, meanwhile, reached an agreement that would allow Dominican citizens to travel to the French Departments in the Caribbean without first having to obtain a visa.

LIAT Ends Flights to Canefield Airport  
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¶9. (U) Leeward Islands Air Transit (LIAT) decided to end service to Dominica's small Canefield Airport March 12,

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shifting all flights to the larger Melville Hall Airport. Canefield sits next to the capital, Roseau, while Melville Hall is on the other side of Dominica, a grueling hour-and-a-half drive through the mountainous interior of the island. A spokesman for LIAT said the company switched the flights to Melville Hall because they were losing money on the Canefield routes. (Comment: Tiny Canefield Airport does not appear to have much of a future. Melville Hall is likely to become the island's sole airport after completion of an EU/Venezuelan/Cuban assistance project to expand the existing runway and terminal (ref A). End comment.)

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GRENADA  
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Newspaper Editor Detained by Police  
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¶10. (U) Grenada police detained newspaper editor George Worme on March 14 to question him about an article printed in his paper, Grenada Today, which was considered potentially libelous. The article was related to the Government's ongoing effort to have opposition member Peter David removed from Parliament for holding both Grenadian and Canadian citizenship. The Association of Caribbean Media Workers and the Media Workers Association of Grenada criticized the authorities for seeking to intimidate the media and demanded that the Government investigate the matter. The media workers noted that in 2004 the police also detained a journalist who was investigating allegations of corruption against Prime Minister Keith Mitchell.

No Tolerance for Police Corruption  
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¶11. (U) Reacting to allegations of wrongful activity by Grenada police officers, Einstein Louison, Minister of State for National Security, warned new police cadets that there would be "zero tolerance" of illegal activity or police brutality. Among the recent charges against police was an incident in which a member of the Prime Minister's personal security detail shot a civilian over a personal dispute and a case of a police officer stealing another officer's service weapon. The Minister also announced that Acting Police Commissioner Winston James had been named Commissioner.

¶12. (SBU) Comment: The recent allegations of wrongdoing have continued to batter the reputation of the Grenada police, which has yet to recover from the force's inability to maintain order after Hurricane Ivan devastated the country in 2004. Their ineptitude was underscored by reports that police officers participated in the widespread looting that followed the storm. End comment.

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ST. LUCIA  
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EU to Provide US\$24.2 Million for Hospital  
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¶13. (U) The EU will provide a US\$24.2 million grant to St. Lucia for construction of a new general hospital that will replace the existing, 100-year-old facility. The new hospital will house a cancer care center that will treat patients from throughout the Eastern Caribbean. Construction is expected to begin at the end of 2006 as part of a multi-year plan to reform the nation's health care system that includes the introduction of national health insurance. Staffing at the hospital will include 70 new doctors who are expected to return to St. Lucia from Cuba, where they are presently attending medical school.

St. Lucia Warns Chinese Contractors on Wages  
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¶14. (U) The Government of St. Lucia publicly warned Chinese contractors engaged in construction projects on the island

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that they cannot pay local workers less than the required minimum wage of 50 Eastern Caribbean dollars (US\$18.50) per day. The Government received reports that local workers were receiving as low as 35 Eastern Caribbean dollars (US\$12.90) per day on several construction projects carried out by Chinese companies as part of the Government of China's assistance to St. Lucia. It is not clear, however, if the legal minimum wage also applies to the typically low-paid Chinese laborers brought to St. Lucia by the contractors specifically to work on the aid projects.

¶15. (SBU) Comment: By offering rare criticism of the manner in which Chinese aid is delivered to St. Lucia, the Government appears to be responding to the opposition's complaints about the negative impact Chinese workers are having on local wages. End comment.  
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